

## Procurement Modernization Team (PMT) “Newsflash”

### *What's New.....PMT*

*“In order to serve you better.....We are introducing a Newsletter that we hope you will find informative, interesting and rewarding.”*

#### **Purchase Card Wins Prestigious Hammer Award!**

OPPM's Purchase Card Management System project is to receive the prestigious Hammer Award, shortly. The Hammer Award is a Vice-Presidential Award given to Government projects that in some major measure help reduce red-tape, drive efficiencies or lowers overall administrative costs.

The team members being recognized:

- a) W. R. Ashworth, Senior Procurement Executive
- b) Allan Johnson, Associate CFO, Senior Financial Executive
- c) David J. Shea, Chief, Procurement Policy Division
- d) Suzanne Poetz, Program Manager
- e) Joe Taylor, APHIS
- f) Belinda Ward, OSDDBU
- g) Linda Wilson, ARS
- h) Laurie Lewandowski, FS
- I) Janet Elm, FSIS
- j) Robert Williams, NRCS
- k) Veronica Moore, Procurement and Property Management
- l) Michelle Snowden, ARS
- m) Maurice Thompson, Procurement Policy Division
- n) Joanne Ellis, Director Applications Systems, NFC
- o) Cyrill Prattini, NFC
- p) Keith Taylor, NFC

- q) Cheryl White, NFC
- r) Stan Jones, OIG

To get a flavor of what was submitted for this award, the following excerpts from the Hammer Award questionnaire are provided:

#### **Question: What process, function or service has been reinvented?**

**Answer:** Reinventing the way government makes purchases is a key part of President Clinton's National Performance Review. To support this goal, the U.S. Department of Agriculture undertook a pioneering effort to reengineer how it uses the government purchase card to procure goods and services. The new program will better support the Department's missions by allowing them to purchase items faster and at a lower administrative cost.

To implement this goal, a multi disciplinary Purchase Card Implementation Team was formed under The Office of Procurement and Property Management (OPPM). Using Computer Aided System Engineering tools, the Purchase Card Implementation Team rapidly developed the Purchase Card Management System, a state-of-the-art on-line reconciliation and payment system. The Purchase Card Management System is an easy to use Windows based system that will eliminate the processing of monthly paper statements and invoices of nearly 17,000 current cardholders, and provides for comprehensive management information for program oversight. The system allows users to approve or dispute transactions, assign accounting codes, and establish property records by simply pointing and clicking. Additionally, the system includes an alert system to notify managers of potential misuse and a report writing function that

## Procurement Modernization Team (PMT) “Newsflash”

provides comprehensive management information. A pilot with the General Services Administration was initiated to allow cardholders to write checks against purchase card accounts. This would allow cardholders to make a wide variety of administrative payments, a first in the Government.

**Question: How has this group cut red tape or empowered employees to improve service to your customers? Are there tangible benefits to your customers and/or the government?**

**Answer:** The new program eliminates unnecessary paperwork and delegations. The group has also cut red tape by getting the card to the individuals who are actually procuring the service or merchandise. We also eliminated the approving official function, another first for the Federal Government. Individuals are held accountable for their own actions.

The new Purchase Card Management System (PCMS) program includes the following:

- a) streamlined regulations
- b) expanded authorities
- c) check writing
- d) on-line account reconciliation
- e) simplified training
- f) better management tool

In the current purchase order process, it costs about \$77 to process a purchase order. Within the existing purchase card program, processing costs run about \$39 per transaction. Under the new reengineered system, we project that we will reduce average costs to \$17 per transaction. We also eliminated the National Finance Center’s Purchase Order/Invoice/Voucher System which processes over-the-counter purchase orders. By eliminating this system, the Department is saving an estimated

\$400,000 per year.

**Question: What has this group done that makes them truly outstanding? We are looking for those federal employees who have done extraordinary things to help build a government that costs less and works better. Please add any additional comments which you feel will support this nomination.**

**Answer:** This Team developed a revolutionary new Purchase Card Management System using Computer Aided System Engineering tools and techniques and takes advantage of the latest relational technology. This was a collaborative effort between the Purchase Card Implementation Team (comprised of agency and Departmental personnel), the requirements team and developers at the National Finance Center. The system is so easy to use and has been so successful to date, that other federal agencies have requested that we provide PCMS to them.

The team was truly innovative and thought outside the box and proposed several new initiatives. One of these initiatives, is allowing cardholders to write checks against their purchase card accounts. This action eliminates the need for two separate contracts, one for the purchase card and one for our third party drafts. Currently, the Department pays huge sums in float charges for the third party draft system.

Hopefully, with the new check system, the current per check float charge will be eliminated or greatly reduced. Also, as a result of the Debt Improvement Act of 1996, the Purchase Card Implementation Team devised a way to capture the Tax Identification Number for the Internal Revenue Service on all purchase card related buys. To date, no other federal agency (except Internal Revenue Service) is capturing this data.

## Procurement Modernization Team (PMT) “Newsflash”

PMT Information Technology Transfer Newsletter

15 January 1998

Vol. 1 Issue No. 2

To further illustrate the resourcefulness of the team, we developed a multi-media presentation and tutorial package in-house. This was accomplished with some relatively inexpensive software and good old ingenuity. Also, the team participated in a training video which was developed specifically for the Department.

**Question: Please provide a short, plain English narrative that would tell any taxpayer why your reinvention is a success.**

**Answer:** The reinvention of the purchase card and third party draft was successful because it has already saved the taxpayers money by eliminating the National Finance Center Purchase Order/Invoice/Voucher System, which processes over-the-counter purchase orders at an estimated savings of \$400,000 per year. The new reengineered system will further reduce the cost of processing purchase card transactions from \$39 to \$17. Projected cost avoidance for the next five years is substantial.

All of the training of USDA employees on the new Purchase Card Management System will be done in-house and in the very near future, employees will have access to these materials via the Internet. This should significantly reduce USDA's training costs.

Finally, many of our taxpayers are also small business vendors who accept the government purchase card. Using the purchase card and the Purchase Card Management System allows us to pay vendors faster and this in turn, helps to stimulate the economy.

### Other PMT News.....

Over the holidays, the PMT worked extra hours in

order to prepare for an Independent Verification and Validation (IV&V) session that was held in Ft. Collins, the week of January 5-8, 1998. The meeting was coordinated by Todd Repass, Larry Bowser, and the Acquisition Modernization Lab (AML) staff. The IV&V was convened in order to solicit and document comments related to the current status of the PMT functional requirements. The meeting was well attended by both Government and industry personnel. The final results of the meeting established additional issues, ideas, and tasks that need to be considered prior to finalization of the functional requirement package.

The PMT issued a Commerce Business Daily (CBD) synopsis on January 6, 1998, as modified on January 16, 1998; outlining the contracting and evaluation approach for reaching a build and/or buy decision necessary to populate the USDA Acquisition Toolkit. Debbie Sanders, Natural Resource Conservation Service (NRCS), played an important role in its development and serves as the point of contact for all synopsis inquiries. Inquiries can be forward to Ms. Debbie Sanders at 970.282.1989.

### PMT Member Spotlight



*“Every month, the PMT newsletter will Spotlight a member of the Procurement Modernization Team.”*

**Janice Baker, Deputy Program Manager for PMT.**

In January of 1997, the Office of Procurement and Property Management (OPPM) selected Ms. Janice

## Procurement Modernization Team (PMT) "Newsflash"

PMT Information Technology Transfer Newsletter

15 January 1998

Vol. 1 Issue No. 2

Baker, OPPM, to serve as the Procurement Modernization Team (PMT) Deputy Program Manager.

Ms. Baker has had a distinguished career which spans across private and public sectors. Ms. Baker began her Federal service with the USDA, Rural Electrification Administration in Washington, D.C. From 1972 to 1980, Ms. Baker served as an accounting technician and financial contract assistant.

Broadening her experience from 1980 to 1983, she was employed by the Smithsonian Institution and served in the capacity of an accounting technician.

From 1983 to 1985, Ms. Baker left Federal service and joined a privately held company called Capital Systems, Inc., an ADP Integration Company, located in Virginia. There she served as head of their contract administration department.

Ms. Baker re-entered Federal service in 1986 at the USDA, Farmers Home Administration, as a contract specialist, specializing in contract administration.

From 1987 to 1989, Ms. Baker transferred to the Office of Operations and worked for the ADP Team as a warranted contracting officer for a complex telecommunication contract. From there Ms. Baker joined the Office of Operations, Procurement Policy Division, as a procurement analyst in 1990. In this position, she managed the Agriculture Contract Automation System (AGCAS). Recently, she participated with the Natural Resources Conservation Service (NRCS) personnel in Fort Collins, Colorado in researching and developing a performance based service contract method for acquiring and continuing the AGCAS support within USDA. This effort strived to promote the benefits and advantages of performance based contracting,

while providing short term document generation capabilities to the acquisition community via the Internet. AGCAS will be replaced by PMT's future deployment of the new USDA Acquisition Toolkit, a one-stop electronic "service center" for procurement support.

Ms. Baker also, managed and implemented a USDA Electronic Commerce pilot as mandated by Presidential Memorandum. The Electronic Commerce effort is part of USDA's strategy to comply with the Federal Acquisition Streamline Act of 1994, The Federal Acquisition Reform Act of 1996, and other mandates for implementing electronic commerce in the Federal Government. She managed the establishment of the Procurement Policy Division's Electronic Commerce Gateway located at the National Finance Center (NFC) in New Orleans, LA, a backup gateway system located in the office of Procurement Policy Division, and worked in coordination with NFC representatives on the utility invoice pilot.

In 1996, Ms. Baker was assigned to the then PSMP "To Be Process" modeling and later selected as the Deputy Program Manager of the consolidated PCMS/PSMP Modernization Project. Besides being Deputy Program Manager, Ms. Baker is presently providing oversight responsibilities to the PMT COTS/GOTS Assessment and is coordinating all efforts from Market Research through delivery of the PMT Build/Buy recommendation.

To her many credits, Ms. Baker served as instructor of procurement automated systems; is an alternate voting member in the ANSI ASC X12 Standards Committee; and has received many Federal outstanding performance and service merit awards. She attended Germana College in Virginia, majoring in accounting.

## Procurement Modernization Team (PMT) “Newsflash”

PMT Information Technology Transfer Newsletter

15 January 1998

Vol. 1 Issue No. 2

### ***Spotlight on Agency Partnership***

*“From time to time, the PMT newsletter will Spotlight Agencies or Offices that are teaming with PMT to implement the future PMT system and initiatives.”*

#### **Acquisition Modernization Lab (AML)-Ft. Collins**

The USDA - Acquisition Modernization Lab (AML), located in Fort Collins, Colorado has been established to provide a controlled environment for evaluating Commercial Off The Shelf (COTS) and Government Off The Shelf (GOTS) products as possible solutions for the USDA acquisition system. The work performed here will provide information and data for the build/buy decision taking place in the coming months. The lab will also serve in providing platforms for integration efforts, configuration management, training development, and will aid in exploring advanced technology solutions as the industry changes.

The lab is located in an area providing a rich mixture of USDA agency field procurement personnel, including Agricultural Research Service (ARS), Natural Resource Conservation Service (NRCS), Rural Development (RD), Forest Service (FS), and the National Information Technology Center (NITC) of the Office of the Chief Information Officer (OCIO). Satellite offices in OPPM and the National Finance Center (NFC) will participate in lab activities as well.

The lab Information Technology (IT) architecture was carefully planned to represent a blend of agency IT solutions. Working closely with NITC and with the heavy cooperation of ARS, the lab is connected to the USDA Wide Area Network, the Internet, and

provides dial-up services. Server technology is in place to support application and file services, e-mail, Oracle, Web server and FTP. Using a mix of PC's, X-Terminals, and Workstations, the lab can support a variety of testing and development protocols.

### ***Trends, Ideas, and Latest & Greatest***

*“To keep our team members up to date.....We are introducing a section in which to spotlight new ideas, business concepts and trends.....”.*

***Look for articles in the February Newsflash!***

### ***In and Around the Procurement World.....***



*“We introduce this section in order to keep our team members informed on what is happening in and around the Government and Private Sector Procurement World.....”.*

***Look for articles in the February Newsflash!***

### ***“Conferences, Symposiums & Seminars.....Calendar”***

Defense Acquisition University- Acquisition Reform Communications Center (ARCC) has released its Acquisition Reform initiatives broadcast schedule for January and February 1998. For more information, visit the DAU Website @ [www.acq.osd.mil.dau](http://www.acq.osd.mil.dau).

## Procurement Modernization Team (PMT) “*Newsflash*”

PMT Information Technology Transfer Newsletter

15 January 1998

Vol. 1 Issue No. 2

Jan 28, 1998 Oral Presentations- Verbal Challenge.

Feb 3, 1998 Going Commercial: FAR Part 12  
Meets FAR Part 15.

Feb 11, 1998 Past Performance and Future Awards.

Feb 25, 1998 Contract Pricing: What’s the Right  
Price?

OPPM to hold Contracting Officer’s Representative  
(COR) Training.

Feb 18-20, 1998 Contracting Officer’s  
Representative (COR) Training. Training will be  
held at USDA, 14th & Independence Avenue, S.W.,  
Washington, D.C. For further information, please  
contact OPPM-PPD at 202.720.7527.

### “*Feed-back*”

In order to keep this newsletter current, please give  
us feed back. Suggestions, comments and ideas can  
be submitted to A. Andrew Anderson @  
202.690.1048 or **Andrew.Anderson@usda.gov**.